

By: Uresti

H.B. No. 3079

A BILL TO BE ENTITLED

AN ACT

relating to imposing a tax on animal-tested cosmetics; providing a penalty.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subtitle E, Title 2, Tax Code, is amended by adding Chapter 166 to read as follows:

CHAPTER 166. TAX ON ANIMAL-TESTED COSMETICS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 166.0001. DEFINITIONS. In this chapter:

(1) "Animal-tested cosmetic" means a cosmetic that has been tested by internal or external application to or exposure to the skin, eyes, or other body part of a live nonhuman vertebrate for purposes of evaluating the safety or efficacy of the cosmetic.

(2) "Cosmetic" has the meaning assigned by Section 321 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. Section 301 et seq.).

(3) "Retailer" means a person, other than a manufacturer, distributor, or wholesaler, who receives, stores, mixes, compounds, or manufactures animal-tested cosmetics and who sells or otherwise distributes animal-tested cosmetics in this state to the ultimate consumer.

Sec. 166.0002. RULES. The comptroller may adopt rules necessary for the implementation of this chapter and the collection of taxes imposed by this chapter, including the identification of

1 animal-tested cosmetics.

2 SUBCHAPTER B. IMPOSITION AND COLLECTION OF TAX

3 Sec. 166.0051. TAX IMPOSED ON ANIMAL-TESTED COSMETICS. (a)

4 A tax is imposed on the sale by a retailer of an animal-tested
5 cosmetic in this state.

6 (b) The rate of the tax imposed by this section is 2.25
7 percent of the sales price of an animal-tested cosmetic.

8 Sec. 166.0052. PAYMENT OF TAX. (a) The retailer or other
9 person selling animal-tested cosmetics in this state to the
10 ultimate consumer shall pay the tax imposed by this chapter.

11 (b) On or before the 25th day of each month, the person
12 responsible for paying the tax shall send to the comptroller the
13 amount of tax due under this chapter for the preceding month.

14 Sec. 166.0053. REPORTS. On or before the 25th day of each
15 month, the person responsible for paying the tax under this chapter
16 shall file with the comptroller a report stating:

17 (1) the amount of animal-tested cosmetics sold in this
18 state by the retailer; and

19 (2) any other information required by the comptroller.

20 Sec. 166.0054. RECORDS. (a) The person responsible for
21 paying the tax under this chapter shall keep a complete record of:

22 (1) the amount of animal-tested cosmetics sold in this
23 state by the retailer; and

24 (2) any other information required by the comptroller.

25 (b) A record required by this section must be kept or
26 maintained for at least two years after the date the record is made.

SUBCHAPTER C. SALES PERMITS

Sec. 166.0101. SALES PERMITS. (a) The comptroller shall issue to an applicant who qualifies under Section 166.0102 a separate permit for each place of business in this state.

(b) The holder of a permit shall display it conspicuously in the place of business to which it applies.

(c) A permit is valid only for the person and the place of business to which it applies and is not assignable.

(d) A permit issued under this chapter must be renewed annually.

Sec. 166.0102. APPLICATION FOR PERMIT. (a) A person desiring to sell animal-tested cosmetics to the ultimate consumer shall file with the comptroller an application for a permit for each place of business.

(b) The application must:

(1) be on a form prescribed by the comptroller;

(2) state the name under which the applicant transacts or intends to transact business;

(3) give the address of the place of business to which the permit is to apply;

(4) contain any other information required by the comptroller; and

(5) be signed by the applicant or a person authorized to act on behalf of the applicant.

SUBCHAPTER D. PENALTIES

Sec. 166.0151. INTEREST ON DELINQUENT TAX. A tax imposed by this chapter that is delinquent draws interest as provided by

1 Section 111.060.

2 Sec. 166.0152. PENALTY. (a) A person who is responsible
3 for paying the tax imposed by this chapter and who fails to file a
4 report as required by this chapter or does not pay the tax when it is
5 due forfeits to the state a penalty of 25 percent of the amount of
6 the delinquent tax.

7 (b) The minimum penalty under this section is \$1.

8 SUBCHAPTER E. DISPOSITION OF REVENUE

9 Sec. 166.0201. DISPOSITION OF REVENUE. The revenue from
10 the tax imposed by this chapter shall be deposited to the credit of
11 the general revenue fund.

12 SECTION 2. Not later than December 1, 2017, the comptroller
13 of public accounts shall adopt rules necessary for the
14 implementation and administration of Chapter 166, Tax Code, as
15 added by this Act.

16 SECTION 3. Chapter 166, Tax Code, as added by this Act,
17 applies to an animal-tested cosmetic sold in this state on or after
18 January 1, 2018. An animal-tested cosmetic sold before January 1,
19 2018, is governed by the law in effect when the animal-tested
20 cosmetic was sold, and that law is continued in effect for that
21 purpose.

22 SECTION 4. (a) Except as provided by Subsection (b) of this
23 section, this Act takes effect January 1, 2018.

24 (b) Section 2 of this Act takes effect September 1, 2017.